

be depended upon, even running under the most favourable circumstances, for a longer period than *twelve years*. And Lloyds' have revised their 'infallible decretals' to a code which practically relegates the very best iron ships to a '*four year class*!'—the least now accorded to *any* wooden one—and but *three years* to those of inferior construction. Twenty-one years A. I., eh? But, besides all this, and of vastly greater importance from the present point of view, comes the late extraordinary advance in the price of iron. There are potent reasons why no expectations can be entertained that this advance will be followed by any corresponding diminution; on the contrary, continuous enhancement is probable, if not *certain*. Add to these another phase of the recent re-codification of Lloyds' rules—the extension of class of the hitherto much depreciated 'North American built ships,' by which eight years A. I. is conceded to our 'mixed wood' vessels, (French Lloyds' give them nine :) and by which it is rendered possible to construct in these colonies a class of 'composite' tonnage which shall be entitled to fourteen years of the same grade,—and we surely have sufficient warranty to act on the assumption that a broad and early increase of demand for Canadian tonnage will be developed."

The preceding are extracts from a copy of an unappreciated letter addressed some time since to one of the Dominion leaders. The present time affords an opportunity, or gives warrant for amplifying somewhat upon the texts therein contained, and kindred topics; especially as the prediction with which the second paragraph closes, has already entered upon its fulfilment,—two unequivocal signs of which are afforded in the rapidly risen and unusually high rates of freight now ruling along the whole seaboard, from New Orleans to Newfoundland; and in the more obvious, though not necessarily more significant indication found in the sudden increase of prices offered in the English

markets for the purchase of colonial built vessels—a branch of trade which, since the close of the year 1867, had dwindled to a point beneath observation, but which, within the last few months, has again appeared above the commercial horizon, and in dimensions of which the measure is afforded in the fact that, according to the latest returns, old and lapsed* vessels command in cash a sum which approximates to the original cost of their construction—indeed, in some instances, where the ship was built at our cheaper building ports, becomes its full equivalent.† Correspondingly, we find an abatement in the enormous activity which has prevailed in the iron ship-building trade since the competitive energies of the American carriers dwindled to zero under the baneful influence of "war risks," and the burdens imposed by the most short-sighted and illogical legislation—as viewed from the present point—to which a great maritime people ever committed its interests. Trade is also falling off from the marine engine works from the same causes; and from some of the iron shipyards of the North comes the expression of a fear of complete stagnation. And they complain of a paucity of orders for new constructions, while at the same time reluctant to enter upon fresh engagements, owing to the utter uncertainty of the future cost of material. Further proofs might be cited, but enough has been said to show that the expected revival of demand for "British North American built" tonnage has begun, and is characterised by indications that it will be both heavy and sustained.

Here, then, we encounter the first question: What is the ability of the country to meet the demand?

In a former paper we discussed the condition of our forests, and noted some of the

* That is, vessels whose period of classification at Lloyds' has expired.

† Not reckoning cost of outfit.